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4 April 1957

MEMORANDUM FOR THE RECORD

SUBJECT: New Building - Discussions with the Bureau of the Budget.

1. Immediately after the number of personnel which we could reasonably expect to accommodate in our new building had been firmed up, I met with Mr. Robert M. Macy, Chief, International Division, Bureau of the Budget, to discuss the attached rough draft of a proposed letter from the Director to the President concerning the building. At his request I left a copy of the letter with him for further study. In sharp contrast to his usual promptness, Bob was extremely slow in commenting further on the matter. Inasmuch as changing instructions to the architect at this and later dates would be costly in both time and money, starting on Monday, 1 April, I pressed Bob for his comments. He telephoned on Wednesday night to say that he had just talked to Mr. Percy Brundage, Director of the Budget, about the matter and wanted to get together with me as early as possible on Thursday morning, 4 April.

2. I met with Bob at 9:00 a.m. this morning. He started out by explaining that Mr. Brundage was under great pressure and that some allowances had to be made for his shortness of temper, etc. I could only conclude from this that Mr. Brundage's comments had been quite adverse. Bob was not completely clear as to what recommendation he had made to Mr. Brundage, but from dealing with him and his staff on this matter over a long period of time I am reasonably sure he would feel that we should construct a building adequate to house all of our Washington personnel, whatever that number might be. However, this is inconsequential in the light of Mr. Brundage's reactions which can be summarized as follows:

a. He does not concur in a letter from the Director to the President such as the draft attached.

b. He feels that it would not make any sense to go to the Congress for additional funds at this time, and fails to understand why we can't construct a building adequate to house the number of people we need to do our business in Washington with the funds available.

c. He believes that our personnel strength in Washington should be reduced very substantially. (Bob could not be specific on figures, but I am certain that Mr. Brundage felt that the reduction should be at the very least sufficient to allow all of our Washington personnel to be accommodated in this building. This would mean a reduction of about

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3,000 people without allowing for any possible future expansion.

d. He believes that we could accomplish a great deal of this reduction through greater decentralization to the field and by foregoing the collection of a great deal of information which is commonly read in the newspapers.

3. I explained to Bob that our personnel strength was of concern to us also and that I did not see how any such reduction of the magnitude which Mr. Brundage apparently had in mind could be made. I also told him that Mr. Brundage had never been briefed on CIA, its organization, functions, etc., and that I felt that he grossly misunderstood our job and how we went about it. Bob conceded that no doubt there was a lot of truth in this, but he was not optimistic that we could get Mr. Brundage to sit still for a complete briefing at this time. He agreed with me that the only solution he could see to the problem was for Mr. Dulles and Mr. Brundage to sit down together and talk the matter out.

4. I am positive that this is a situation in which Bob is completely unable to deal effectively on this matter with Mr. Brundage in his present state of mind. I further feel that the Director should get in touch with Mr. Brundage as a matter of great urgency and resolve the issue. Whatever action we propose to take we should not delay advising the President very much longer, and it is extremely important that if our present instructions to the architect are going to be changed that they be changed at the earliest possible date.

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L. K. White
Deputy Director
(Support)

1 Att: Draft of Proposed Ltr to the
President from DCI (1 Mar 57)

DD/S:LKW:laq

Distribution:

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1 - DD/S chrono (ref)

1 - DD/S subject (ref)

1 - DD/S New Building file

1 - E.O. file - Personnel Strength

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